

August 26, 2016

TO: Owners and Managers of HOME Funded Properties in Georgia

FROM: The Office of Portfolio Management  
Compliance Monitoring & Asset Management

RE: 2016 DCA HOME Rent Request/Approval

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## **DCA HOME RENT APPROVAL FORM**

Owners must seek review and approval of HOME rents at all DCA HOME (and NSP) funded properties on an annual basis as directed in the HOME Final Rule of 2013. The DCA HOME Rent Approval form must be submitted at least once annually after the release of the HOME published rent limits. The form is used to determine the maximum allowable rent for each property. Complete all highlighted sections of the form and submit it for review.

The deadline to submit the 2016 annual HOME rent request form is **December 31, 2016**.

**For properties in initial lease up in 2016**, submit the DCA HOME Rent Approval form prior to entering into a lease. If the lease up has started, and rents were not approved as of 8/26/16, submit rents for approval by 9/26/16.

## **RENT CHANGE REQUESTS**

HOME rent increase requests received after the initial annual HOME rent approval must be submitted to DCA at least 45 days prior to implementing the rent change.

## **OVER CHARGING RENT**

Owners are responsible for charging rents that meet all program rules. If the owner discovers that the current rent charged is over the maximum program limits, the tenant rent must be reduced by the earlier of the next tenant rent billing or 30 days.

## **HOME LEASE REQUIREMENTS**

Rent increases can only be implemented for new leases and at the end of the lease term for current residents with a 30-day written notice.

## UTILITY ALLOWANCE

The current Utility Allowance information must be entered in the HOME Rent Request/Approval form. If there is more than one (1) utility allowance schedule (i.e., actual consumption allowance and PHA allowance), applied to HOME designated units, complete a separate HOME rent request form showing the specific utility allowance information from each schedule.

If there is more than one (1) utility source used to determine the total utility allowance, contact DCA for additional instructions.

Requests for Utility Allowance Methodology changes must be approved separately. DCA will only review forms with current utility allowance schedules.

NOTE: **the DCA utility allowance effective 7/1/2015 is still in effect until further notice.**

## SENDING REQUESTS

Email request to [compliance@dca.ga.gov](mailto:compliance@dca.ga.gov)

Email Subject Line: GA ID #, Property Name, HOME Rent Review

Example: GAXX-000 ABC Properties HOME Rent Review

DCA will conduct a review of the rent information and our goal is to provide a response within 15 business days from the date received.

## DOCUMENTS AND DETAILS TO INCLUDE IN THE EMAIL REQUEST

Include details in the body of the email that would assist us in our review of your rent request. For instance, let us know if there is more than one (1) utility type used on your HOME units, if you have units larger than 4 bedrooms, or if you have questions about the information provided on the DCA HOME Rent Approval form.

## ATTACHING SUPPORTING DOCUMENTS

When submitting documents please follow the following format:

- Submit each document **separately**.
- **Label each document** with the property name and GA ID and what the document is
- For Example: Melrose Place 2002-666 LURA

**If you follow the naming directions and submit documents separately, we should not need to request the documents again next year.**

## SUBMIT THE FOLLOWING DOCUMENTS

1. **Exhibit B** with rent and set-aside details from the Land Use Restriction Agreement (LURA).
2. **Utility Allowance(s)** used for your HOME units.
3. **Tax Credit** (if applicable): Exhibit B in the Land Use Restrictive Covenant (LURC) with rent and set-aside details.
4. **Fixed Units** – (If applicable) If HOME units are “Fixed”, select “Fixed” in the HOME rent request form and attach a list of the fixed HOME designated units.

5. **Rural/Nonmetropolitan Limits** – (If applicable)if property is eligible for NNMI limits, provide confirmation from the USDA site <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>
6. **Support Documents** - Additional information to support your HOME rent determination, (e.g., rent evaluation information)
7. **The DCA HOME Rent Approval Form** in **EXCEL FORMAT**

### **DISCREPANCIES OR ERROR**

In the event a discrepancy in the rent calculation for the property is discovered or if there is a dispute about the rent calculated in the form, please provide details in the property notes/questions/comments section provided at the bottom of the form and include supporting documentation for review.

### **COMMON ERRORS**

- Failing to enter the correct number of units per bedroom size.
- Failing to enter the deeper set asides listed in the LURA.
- Entering a unit mix that does not match LURA.
- Listing LIHTC rent floor as HOME rent floor. (They are each identified in regulatory documents)
- Requesting rents that exceed the maximum listed rent.
- Providing an expired Utility allowance. (See DCA UA note above.)

**Click here for the** [2013 HOME Final Rule](#)